

FISCAL NOTE

SB 2737 - HB 2864

March 16, 2006

SUMMARY OF BILL: Requires additional language to be placed on the notice to any taxpayer whose tangible personal property schedule was not accepted as filed.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$50,000/One-Time
Exceeds \$10,000/Recurring

Increase Local Govt. Expenditures – Exceeds \$100,000*

Assumptions:

- Placing the required language on the notice will require a larger card than is currently used.
- On average, the Property Assessments Division purchases 800,000 cards per year at a current cost of \$13,500. If the size of the card is increased to accommodate the additional language, the cost is estimated to be \$26,500 per year. A difference of \$13,500.
- On average, the Property Assessments Division mails 600,000 cards per year. At a \$0.24 cost per card, the total cost is \$144,000. If the larger sized card is used, the postage rate increases to \$0.39 per card, for a total cost of \$234,000. A difference of \$90,000. This cost is passed on to the local governments.
- There will be a cost to the property assessments division to reprogram the system to accommodate the larger cards and additional language. This cost is estimated to be \$50,000.
- There will be additional costs to local governments that print their own notices.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director